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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

SEDGWICK, LLP,

Debtor.

Case No.: 18-31087-HLB

Chapter 11

**SEDGWICK, LLP'S CHAPTER 11 FIFTH
STATUS CONFERENCE REPORT**

Date: August 15, 2019

Time: 10:00 a.m.

Place: 450 Golden Gate Avenue
Courtroom 19

San Francisco, CA 94102

Judge: Honorable Hannah L. Blumenstiel

Sedgwick LLP, the debtor and debtor in possession in the above-captioned case (the "**Debtor**") hereby submits this fifth status conference statement (the "**Status Conference Statement**") in response to the Court's docket entry rescheduling the status conference and the date for a new status conference report entered by the Court on July 11, 2019. The Debtor filed its first, second, third, and fourth status conference statements on December 13, 2018, February 6, 2019, May 9, 2019, and July 11, 2019, respectively. The Debtor will not repeat the information in the previously filed status statements but only describe events that have occurred since the filing of the latest statement. The Debtor respectfully states as follows:

I.

PARTNER CLAWBACK CLAIMS AND PLAN OF LIQUIDATION

Since the filing of the prior status conference statement on July 11, 2019, the Debtor and the Official Committee of Unsecured Creditors (the “**Committee**”) have continued working toward a settlement regarding the *Motion for an Order Approving the Compromise of a Controversy Among the Debtor and Certain Former Equity Partners* [Docket No. 234] (the “**Partner Settlement Motion**”).

The Debtor, the subject former equity partners, and the Committee have narrowed the gap substantially since July 11, 2019. While the parties have not yet reached an agreement, the parties are extremely close and it is reasonable to expect that their continued settlement discussions will result in an agreement in the short term.

In the event the parties reach an agreement, the Debtor will withdraw the Partner Settlement Motion, the Debtor and Committee will prepare a joint plan of liquidation that will include any partner settlement the parties agree to, and the Debtor and Committee will seek to accelerate the plan confirmation process as much as reasonably possible so that the administration of this case can shift to claim reconciliation and distributions to holders of allowed claims.

The Debtor will appear at the August 15, 2019 status conference unless the Court continues the hearing to a future date.

II.

NOTICE

Notice of this Status Conference Statement was served on (i) the Office of the United States Trustee; (ii) counsel to the Official Committee of Unsecured Creditors; and (iii) all parties requesting service.

Dated: August 8, 2019

PACHULSKI STANG ZIEHL & JONES LLP

By: /s/ John W. Lucas
John W. Lucas

Attorneys for Sedgwick, LLP

STATE OF CALIFORNIA)
CITY OF SAN FRANCISCO)

I, Hung Phan, am employed in the city and county of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 150 California Street, 15th Floor, San Francisco, California 94111-4500.

On August 8, 2019, I caused to be served the following documents in the manner stated below:

- SEDGWICK, LLP'S CHAPTER 11 FIFTH STATUS CONFERENCE REPORT***

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|-------------------------------------|--|
| <input checked="" type="checkbox"/> | TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document was served by the court via NEF and hyperlink to the document. On <u>August 8, 2019</u> , I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below |
| <input checked="" type="checkbox"/> | (BY MAIL) I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit. |
| <input checked="" type="checkbox"/> | (BY EMAIL) I caused to be served the above-described document by email to the parties indicated on the attached service list at the indicated email address. |

I declare under penalty of perjury, under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on August 8, 2019 at San Francisco, California.

/s/ Hung Phan

Legal Assistant

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2. VIA US MAIL

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3. VIA E-MAIL

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